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May 6, 2011

VIA ELECTRONIC FILING

Jocelyn Boyd, Esquire
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Request for Suspension of SCE&G and Piedmont Gas Hedging Programs
Docket No. 2011-82-G

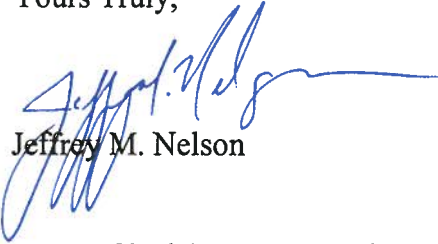
Dear Ms. Boyd:

In light of the Commission's action last week to carry over the above referenced case, ORS renews its request for the suspension of the gas hedging programs of South Carolina Electric & Gas ("SCE&G") and Piedmont Natural Gas Company, Incorporated ("PNG" or collectively "the Companies"). Any ruling by the Commission is expected to provide ORS and the Companies with some direction and certainty regarding the future of these and similar programs in South Carolina.

As we have previously argued, ORS does not believe that the market conditions which led to the initial institution of gas hedging programs by South Carolina utilities still exist. The combination of these decreased concerns regarding market volatility and the cost of these programs to South Carolina consumers have led ORS to determine that the costs of these programs now outweigh their potential benefit. The hedging program of SCE&G has produced \$50,437,409 in program costs and losses since its inception in 2006 while PNG's hedging program has added an additional \$37,713,766 to its South Carolina customer's bills since 2002. In the most recent twelve month period, the total operational costs and losses of these programs was \$538, 035 for PNG and \$2,269,258 for SCE&G. While these costs to South Carolina ratepayers may be considered acceptable in a highly volatile market, they appear to be a high premium for price stability insurance in the current domestic natural gas market.

Should you require additional information or have any questions, please contact me at (803) 737-0823.

Yours Truly,



Jeffrey M. Nelson

cc: Chad Burgess, Esquire
Jim Jeffries, Esquire
Kenny Jackson
David Carpenter
John Flitter